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October 16, 2001

EX PARTE OR LATE FILED

Ex Parte Presentation

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

RECEIVED
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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: *Joint Application of SBC Communications, Inc. for Provision of In-Region, InterLATA Services in Arkansas and Missouri, CC Docket No. 01-194*

Dear Ms. Salas:

This *ex parte* letter, which is filed at the Commission Staff's request, addresses certain arguments and new information regarding Loop Maintenance Operations System ("LMOS") which were raised by SWBT in its October 1, 2001 *ex parte*, letter ("October 1 *Ex Parte*") its October 4, 2001 Reply Comments, and the October 4, 2001 Joint Reply Affidavit of William R. Dysart, Brian D. Noland, Nancy L. Rentler, and David Ross Smith (the "LMOS Reply Affidavit"). In these statements SWBT makes a number of claims and concessions for the first time in these proceedings, and levels criticisms at AT&T and other CLECs, none of which AT&T has previously been able to address.¹

In particular, in this *ex parte* AT&T will address (1) SWBT's concession that AT&T's data has revealed a systematic delay in LMOS updating during bill processing periods, (2) its misleading claim that AT&T has not shared its data with SWBT; and (3) SWBT's attempt

¹ AT&T had earlier alerted the Commission that it did not receive a copy of SWBT's submission until October 2, only two days before the filing of reply comments, and thus was precluded from conducting a full analysis of SWBT's submission before the filing of its own reply comments. See *Joint Application by SWBT Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc., d/b/a/ Southwestern Bell Long Distance for Provision of In-Region, InterLATA Services in Arkansas and Missouri, CC Docket No. 01-194, Reply Comments of AT&T Corp. in Opposition to SBC Communications, Inc.'s Section 271 Application for Arkansas And Missouri, filed October 4, 2001, p.28 n.28. This ex parte is thus AT&T's first opportunity to respond to the October 1 Ex Parte, and the material included in SWBT's reply comments which were referenced in that ex parte.*

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to minimize the significance of LMOS failures. Nothing in SWBT's new data and explanations rebuts the basic showing of AT&T's prior submissions: SWBT's LMOS process does not offer CLECs the parity of treatment that the Telecommunications Act requires, and SWBT's series of ad hoc, manual "fixes" cannot be sustained at competitive volumes.

1. SWBT Concedes That It Delays Posting To LMOS During Bill Processing.

Most significantly, in its response to AT&T's showing that it was unable to electronically access the LMOS database for large numbers of accounts for several days after conversion, SWBT offers a "defense" that actually amounts to an admission of a previously unacknowledged, serious problem with the LMOS database. SWBT essentially acknowledges the results of AT&T's July 28 and August 29 tests, which showed that many of the orders for the weeks prior to those dates were not electronically accessible to AT&T for several days after AT&T had received a service order confirmation ("SOC"). SWBT seeks to justify this poor result by explaining that for as many as four days each month, its CABS UNE-P bill processing procedure forces it to put service orders in an "interim status" such that they are not posted to CABS or LMOS until after bill processing is completed for the given month. For AT&T's Missouri orders, the bill processing period begins on the 25th of each month. SWBT therefore tries to shrug off as "not surprising" (p.3, ¶ 8) AT&T's test results showing that orders completed on or after the 25th of the month were not electronically accessible three and four days later.² However, the significance of this concession cannot be ignored: for almost 20% of the 22 or so business days each month, SWBT is not posting orders to LMOS, knowing that this means CLECs will be unable to electronically enter trouble tickets on those orders. More disturbingly, SWBT notes that in Texas there are two bill cycles each month, meaning that for eight days a month, more than 35% of the business days, some amount of service orders are being held in "interim status" and not posted to LMOS.

SWBT is conspicuously silent on whether this bill processing hold affects its own orders, but even if they are, it could not have nearly the same impact on SWBT as it does for a CLEC. This is because delay in posting a SWBT service order requesting a change a customer's service features generally will not leave SWBT unable to electronically access the trouble reporting system. Moreover, in instances in which AT&T has been unable to open electronic trouble tickets because the LMOS database has not been correctly updated, SWBT has instructed AT&T to call SWBT's LOC because the LOC representatives are able to open and track the ticket electronically for AT&T. Thus, SWBT is able to access its own electronic maintenance

² While SWBT implies that AT&T purposefully picked the time frame that coincides with SWBT's billing cycle within which to run its sample (*see* LMOS Reply Aff. at ¶ 1; October 1 *Ex Parte* at p.3), that is not true. AT&T was unaware that SWBT's bill processing procedures would result in this systematic delay in the posting of orders to CABS and LMOS when it selected the testing periods. Indeed, rather than demonstrate that AT&T engaged in some calculated scheme to distort the data pertaining to SWBT's LMOS systems, this latest sample demonstrates that each additional data run uncovers a new, as of yet undiscovered glitch in the LMOS system. *See* also SWBT's Joint Affidavit of Daniel J. Coleman, William R. Dysart, and David R. Smith for Arkansas and Missouri ("SWBT LMOS Aff.") at ¶ 41 (noting that AT&T had problems with 10 orders in a July sample because of problems that SWBT had with processing CLEC to CLEC conversions).

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and reporting system even as to those TNs that have not been correctly updated in the LMOS database. CLECs cannot do so. Moreover, CLEC service orders for which the LMOS database has not yet been updated are most likely to be UNE-P conversions (an activity that is less likely to be experienced by SWBT), and SWBT's failure to update the LMOS database will prevent CLECs from being able to electronically enter trouble tickets on its customers' accounts at a time when its relationship with the new customer is most sensitive to customer-affecting differences in treatment. Leaving CLECs without a means to electronically report troubles on their new customer accounts for at least 20% of the month cannot be considered parity, and is obviously a competitively significant disadvantage for CLECs.

2. SWBT Misleadingly Claims That AT&T Has Not Challenged Its Data Results And That AT&T Did Not Share Its Test Data With SWBT.

In both its October 1 *Ex Parte* (at 2) and its LMOS Reply Affidavit (at ¶ 9), SWBT suggests that AT&T has not challenged the results of its analysis of the 53 telephone numbers ("TNs") AT&T provided on May 25 or the 10 TNs provided on July 9. This mischaracterizes the facts. AT&T had attempted to access the TBTA interface to the LMOS database for these numbers, but found it was not correctly identified as the "owner" of these numbers. AT&T asked for an explanation why these numbers were not properly accessible to AT&T from the LMOS database, and SWBT responded that its records indicated the numbers had been posted to LMOS within a day of conversion. SWBT insisted that without knowing precisely when AT&T had attempted to access the LMOS records via the TBTA interface it could never determine what the problem had been. SWBT's inability to clarify what had gone wrong led to deadlock, which in no way constitutes acquiescence by AT&T.

AT&T and SWBT discussed the results of two additional data runs that AT&T had performed in July. With respect to the Texas data that AT&T shared, SWBT acknowledged that there was incorrect information in the LMOS database with respect to all 10 of the TNs that AT&T had identified, and conceded that AT&T had, in fact, aided SWBT by helping it to identify fixes that it would need to make to LMOS.³ AT&T also shared the summary results of its July 28th Missouri sample with SWBT on a conference call on August 9, 2001 but SWBT expressly told AT&T it was not interested in the specific TNs associated with that sample because it would not be able to research the root causes of the problems with that sample. Thus, the bottom line is that AT&T reported that it had found problems in the LMOS database in Missouri and Texas, shared the data, and SWBT stated that it would fix the problems identified. Thus, SWBT's statement that it had "some surprise" that AT&T would want to further test the integrity of SWBT's LMOS database is itself a surprise.

³ SWBT mistakenly alleges that AT&T has submitted "a vast number of 'pseudo-trouble tickets.'" October 1 *Ex Parte* at 3 n. 3. AT&T has not submitted any "pseudo-trouble tickets;" as AT&T has explained, it has only checked the status of its customers' accounts in LMOS by attempting to access them through TBTA, and no trouble tickets were opened for purposes of this inquiry.

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3. SWBT Attempts To Minimize The Significance Of Its LMOS Failures.

In its LMOS Reply Affidavit (at ¶¶ 50-55), SWBT attempts to argue that the process of submitting manual trouble tickets is not time-consuming or disruptive to CLECs, because no more than 4-5 minutes would elapse from the time the CLEC typed the trouble ticket and tried to submit it electronically, received an error message, and called the LOC to report the ticket manually. The Commission should not countenance this effort to trivialize a serious problem with SWBT's OSS. Parity dictates that CLECs not be relegated to manual processing where SWBT itself relies on electronic processing.

It should be obvious, for example, that even an additional and unnecessary 4 to 5 minutes in processing a trouble ticket will be of great significance for a CLEC handling commercial volumes of orders. Furthermore, after the delay necessitated by the duplicative, manual submission, further delay inevitably results as SWBT and the CLEC resolve the confusion over who is the true "owner" of the circuit. *See Joint Application by SWBT Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc., d/b/a/ Southwestern Bell Long Distance for Provision of In-Region, InterLATA Services in Arkansas and Missouri, CC Docket No. 01-194, Joint Declaration of Water W. Willard and Mark Van de Water Declaration on Behalf of AT&T Corp., filed October 4, 2001 ("Willard/Van de Water Decl."), ¶ 28.*

Moreover, as the Commission has previously noted, manual order processing is subject to errors, and is likely to lead to higher rates of error at higher volumes. *See Second Louisiana 271 Order* at ¶ 114 (manual processes "generally are less timely and more prone to errors" than electronic processes). As it has in the past, the Commission should reject the arguments of a BOC that attempts to justify providing manual processing to CLECs while relying on electronic processing for its own orders. *See South Carolina 271 Order* at ¶ 120 ("[c]ompared to a BOC's use of an electronic interface, competing carriers using a manual process... are at a significant disadvantage" because "[m]anual processes... are generally less timely and more prone to errors than electronic interfaces").

SWBT also attempts to minimize the LMOS problem by representing that 99.5% of the UNE-P records are electronically available in the LMOS database. This statistic, even if accurate, is essentially meaningless, as SWBT surely knows. Because most accounts have no service order activity in any given month, it is not surprising that most accounts are electronically accessible, given that there is no reason for their status in the LMOS database to have changed. The meaningful question is what percentage of records for which there has been a service order change, and — most significantly for competitive purposes — what percentage of orders for conversion to a CLEC, are electronically available within the critical period immediately after conversion, when trouble is likely and the customer most sensitive to out-of-parity treatment. SWBT does not offer that more meaningful statistic.

Similarly, SWBT's LMOS Reply Affidavit (at ¶ 45) and October 1 *Ex Parte* (at p.13) attempt to put a positive spin on its new analysis of LMOS posting data for UNE-P conversions from July and August by arguing that for much of these months CLECs were able to

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electronically open trouble tickets on most records. However, its own data shows that in the 5 days after conversion CLECs can expect that 14.43% of their trouble tickets will have to be manually processed.

SWBT also minimizes the significance of the error rate for LMOS by again relying on a less meaningful statistic in place of one more meaningfully tailored to assess the competitive consequences of the problems with LMOS. SWBT's October 1 *Ex Parte* (at pp. 6-7) argues that "Net Growth in UNE-P Lines," the denominator selected by the DOJ to calculate the LMOS error rate, is not the proper denominator, because there are 5 categories of lines activity that could generate errors (and thus show up in the numerator) but would not add new lines (thus not changing the denominator). However, SWBT's resolution, using "Total CLEC UNE-P Line Activity" as the denominator, has the effect of understating the error rate. Four of the 5 categories of line activity that SWBT has identified (CLEC UNE-P billing account number changes, CLEC UNE-P outside moves, changes to establish hunting on existing UNE-P lines, and changes to TNs on existing UNE-P lines), do not pose the same competitive risks because they do not require the change in the "owner" of the account in the LMOS database that UNE-P conversion orders require. Thus, by including these less complicated activities with very high success rates, SWBT has skewed the error rates in its favor. What SWBT has not done is provide the most meaningful statistic – one that reflects the LMOS error rate for conversion activity. For this reason, the Commission should discount the significance of SWBT's inflated success rate.

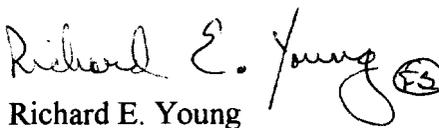
Further, as noted above, SWBT has now confirmed that during about 20% of the business days of the month, service orders do not update to LMOS at all because of the hold during the bill processing period. Thus, AT&T cannot expect to be able to electronically submit trouble tickets for Missouri UNE-P conversion orders on or just after the 25th of every month, and for Texas on and after both the 5th and the 25th.

Thus, SWBT has implemented an LMOS updating process which, for many orders every month, will subject CLECs, but not SWBT, to the "significant disadvantage" of less effective manual trouble ticket processing, and, as discussed in AT&T's Willard/Van de Water Declaration (at ¶¶ 29-31), SWBT's "fixes" themselves depend, in significant part, on manual processing, which cannot be sustained at competitive volumes.

For the reasons stated above, and in AT&T's prior comments in this proceeding, SWBT's Application for Arkansas and Missouri has not shown that it has provided CLECs nondiscriminatory access to its OSS for their customers served over UNE-P.

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Sincerely,

A handwritten signature in cursive script that reads "Richard E. Young". To the right of the signature is a small circular stamp containing the initials "FS".
Richard E. Young

cc: D. Attwood
S. Bergmann
J. Carlisle
U. Onyeije
G. Remondino